CLEVELAND PUBLIC LIBRARY
BUSINESS INFORMATION BUREAU
CORPORATION FILE

S. H. KRESS & COMPANY

ACCOUNTS
YEAR 1935

BUYING AND EXECUTIVE OFFICES
114 FIFTH AVENUE
NEW YORK, N. Y.

S. H. KRESS

AN

SUBSIDIARY

Consolidated Balance SH

ASSETS

CURRENT ASSETS:			
Cash in banks, in transit and on hand		$ 7,269,608.79	
U. S. Government securities, at cost (quoted market value $3,151,640.62)		3,144,242.20	
Sundry debtors		67,420.13	
Inventories of merchandise, including paid in transit, at cost or market, whichever is lower (certified by officials as to quantities and condition)		13,630,115.13	
			$24,111,386.25
U. S. GOVERNMENT SECURITIES deposited in escrow under lease agreement (quoted market value $24,921.88)			25,070.31
LOANS AND ADVANCES TO LANDLORDS			514,968.39
DEFERRED CHARGES TO FUTURE OPERATIONS:			
Prepaid insurance premiums		$ 279,434.84	
Deferred rental expenses, prepaid rent, taxes, etc.		321,217.28	
			600,652.12
CAPITAL ASSETS:			
Fixtures and equipment, at cost	$12,587,101.35		
Less—Reserve for depreciation	6,429,841.99	$ 6,157,259.36	
Leasehold and other improvements, at cost	$13,215,136.32		
Less—Reserve for amortization	3,631,925.43	9,583,210.89	
Land and buildings owned in fee, at cost in cash and capital stock	$32,110,067.14		
Less—Reserve for depreciation	2,728,850.05	29,381,217.09	
Goodwill, leaseholds, etc.		1.00	
			45,121,688.34
			$70,373,765.41

To the Stockholders of
S. H. Kress & Company:

We have made an examination of the consolidated balance sheet of S. H. consolidated profit and loss and surplus account for the year 1935. In connection supporting evidence and obtained information and explanations from officers and methods and of the operating and income accounts for the year, but we did not

In our opinion, based upon such examination, the accompanying consolida fairly present, in accordance with accepted principles of accounting consistently modification in the basis of rental charges to owned stores, the position of the year.

56 Pine Street,
New York,
January 24, 1936.

& COMPANY

ND

COMPANIES

heet, December 31, 1935

LIABILITIES

CURRENT LIABILITIES:		
Accounts payable—trade creditors	$ 322,481.07	
Accrued expenses and miscellaneous accounts payable	1,557,227.83	
Reserve for Federal taxes (estimated)	1,140,000.00	
		$ 3,019,708.90
PURCHASE MONEY MORTGAGE PAYABLE IN 1942		55,000.00
CAPITAL STOCK AND EARNED SURPLUS:		
Capital stock:		
Special preferred stock—6% cumulative:		
Authorized—1,000,000 shares of $10 each	$10,000,000.00	
Issued—853,036 - 32/40 shares	$ 8,530,368.00	
Common stock without par value:		
Authorized—1,500,000 shares		
Issued—1,178,787 shares	48,511,252.92	
	$57,041,620.92	
(Common stock reserved for sale to employees—34,217 shares)		
Earned surplus, per statement attached	12,274,009.70	
	$69,315,630.62	
Less—Cost of 189,980 - 26/40 shares of special preferred stock and 2,874 shares of common stock reacquired and held in treasury	2,016,574.11	
		67,299,056.51
		$70,373,765.41

NOTE.—Merchandise in transit unpaid amounting to $1,135,000.00 has not been included in the above accounts. No adjustment has been made for processing taxes included in inventories or for such taxes as may be recoverable from suppliers.

Kress & Company and subsidiary companies as at December 31, 1935 and of the
therewith, we examined or tested accounting records of the companies and other
employees of the companies; we also made a general review of the accounting
make a detailed audit of the transactions.

ted balance sheet and related consolidated profit and loss and surplus account
maintained by the companies during the year under review, other than a slight
combined companies at December 31, 1935, and the result of operations for the

PRICE, WATERHOUSE & CO.

S. H. KRESS & COMPANY

AND SUBSIDIARY COMPANIES

Consolidated Profit and Loss and Surplus Account
For the Year ending December 31, 1935

GROSS SALES		$78,479,130.45
Cost of merchandise sold and operating expenses including taxes and amounts charged to stores as rental	$71,682,778.01	
Provision for depreciation and amortization	1,921,297.47	
		73,604,075.48
Profit from operations, before providing for Federal income taxes		$ 4,875,054.97
ADD:		
Amount charged to stores as rental (included in operating expenses above)	$ 1,437,309.57	
Rentals received from other tenants	180,988.17	
Interest received	225,206.50	
Profit on sale of U. S. Government securities	18,881.25	
		1,862,385.49
		$ 6,737,440.46
DEDUCT:		
Provision for Federal income taxes	$ 935,647.32	
Interest on mortgages, etc.	10,088.68	
		945,736.00
Net operating income for year		$ 5,791,704.46
Write-down in building and equipment accounts for obsolescence and eliminations and provision for additional depreciation applicable to prior years		1,495,854.29
Balance carried to surplus		$ 4,295,850.17
EARNED SURPLUS AT JANUARY 1, 1935		11,851,151.48
		$16,147,001.65
DEDUCT:		
Dividends on common stock:		
Cash dividend ($2.00 per share)	$ 2,352,163.25	
Stock dividends ($1.00 per share) paid in special preferred 6% cumulative stock	1,176,121.50	
	$ 3,528,284.75	
Cash dividends (60c per share) on special preferred 6% cumulative stock	344,707.20	
Total dividends		3,872,991.95
EARNED SURPLUS AT DECEMBER 31, 1935		$12,274,009.70

The company operated a total of 234 stores at the end of the year; the total taxes included in the above accounts (real estate, personal property, income, sales, etc.) amounted to $3,061,515.37 or an average of $13,083.40 per store.